In the Supreme Court of the United States

OCTOBER TERM, 1940.

No. .....

THE TIMKEN-DETROIT AXLE COMPANY,
Petitioner,

vs.

LEMPCO PRODUCTS, INCORPORATED,
Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

STATEMENT OF THE CASE.

I.

The Opinions of the Courts Below: The opinion of the Sixth Circuit Court of Appeals is reported at 110 Fed. (2) 307 and appears at pages 388 to 394 of the record. The opinions of the District Court in the instant cause have not been reported; the opinion of the District Court appears at pages 359 to 362 of the record. The opinion of the District Court on the Respondent's Petition for Reconsideration appears at pages 364 to 365 of the record. The Findings of Fact and Conclusions of Law of the District Court appear at pages 366 to 368 of the record.

II.

(1) The jurisdiction of this Honorable Court is invoked under Section 240 (a) of the Judicial Code as amended by the Acts of February 13, 1925; 28 U. S. Code, Section 347.

(2) The date of the decree below is March 12, 1940 (R. p. 287). Petition for Rehearing was filed April 29,

1940 (R. p. 395) and denied by the Court of Appeals on May 6, 1940 (R. p. 407).

(3) This suit is an equity suit arising under the patent laws of the United States and the decree of the Circuit Court of Appeals for the Sixth Circuit requires that the Bill of Complaint in the suit be dismissed.

III.

Statement of the Facts in the Case: Rule 52 of the new Federal Rules of Civil Procedure is a new rule, subject to interpretation and construction like any new rule. The following portion of it has never, as far as we can find, been placed in any rule before:

> "Findings of fact *shall not be set aside unless** *clearly erroneous, and due regard shall be given to the opportunity of the trial Court to judge of the credibility of the witnesses.*"

This practice was old both in law and in the one variant of the practice in equity, but it varied on the two sides of the Court and appeared in various phases on the equity side. In the law practice it was, as has been stated, as follows:

> "Under present federal statutes, if an action is triable of right by jury and a jury is waived and the findings are made by the judge, the findings of the court have the effect of a verdict and on review the findings cannot be set aside if there is substantial evidence to support them. *The appellate court cannot review the evidence, cannot decide that the findings are wholly against the weight of evidence.*" (*Federal Rules of Civil Procedure and Proceedings of the American Bar Association Institute*, Cleveland, 1938, page 318.)

On the equity side it appeared in at least the following phases:

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* Emphasis ours throughout unless otherwise indicated.

(a) Where the court thought it mandatory to accept the findings below;

(b) Where the court thought it was admonished to accept the findings in the court below;

(c) Where the court thought the findings below were persuasive;

(d) Where the court thought the findings were entitled to deference and respect.

The mandatory practice alluded to by the Rules Committee is illustrated by what this Court said as follows:

Tilghman vs. Proctor, pages 149, 150:

"We are then brought to a consideration of the exceptions taken to the master's report in matters of fact, affecting the accuracy of his conclusions in respect to the amount of these profits, gains and savings. In dealing with these exceptions, the conclusions of the master, depending upon the weighing of conflicting testimony, have every reasonable presumption in their favor, and *are not to be set aside or modified** unless there clearly appears to have been error or mistake on his part. *Medsker v. Bonebrake,* 108 U. S. 66; *Donnell v. Columbian Ins. Co.,* 2 Summer, 366, 371; *Mason v. Crosby,* 3 Woodb. & Min. 258, 269; *Paddock v. Commercial Ins. Co.,* 104 Mass. 521, 531; *Richards v. Todd,* 127 Mass. 167, 172."

And in *Warren vs. Keep,* page 267:

"The master acted in view of this evidence, and the court below concurred in his finding, except in some unimportant particulars. As no obvious error or mistake has been pointed out to us, their conclusions *must* be permitted to stand. *Tilghman v. Proctor,* 125 U. S. 136; *Crawford v. Neal,* 144 U. S. 585; *Furrer v. Ferris,* 145 U. S. 132."

Those who promulgated and approved Rule 52 stated that it was the purpose of this rule to merge the former

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* Emphasis ours.

law and equity practice into the equity practice of *Tilghman v. Proctor, supra,* and *Warren v. Keep, supra.* We think this is clear from the "shall not" proviso of the rule and from the references to these decisions in the official notes to the Federal Rules of Civil Procedure, in connection with Rule 52 (pages 46 and 47).

We think we need say nothing about the commanding desire, if not necessity, that the practice under the Rule, be uniform, or about the authority of this Court to make it uniform. These things are well known. It will appear from what we say in the subsequent part of this brief, and from what we have already indicated, that already it has developed that some of the courts are following one of the variants of the old equity practice, and other courts are following other variants of the old equity practice. This is not unnatural because these courts differ as to the old equity practice contemplated by the new rule and follow one variant of the old practice feeling that they are still within the rule.

We do not think that we need to argue with the language of the rule; it plainly intended that the practice on the equity side should be confined to the mandatory or "shall not" phases of the old equity practice.

Nevertheless, we submit on the specific practices below, the following:

The Seventh Circuit Court of Appeals case of *Webb v. Frisch,* cited *supra,* was a patent infringement case like the case at bar. A question of fact decided by the District Judge was presented for review by the Court of Appeals. In discussing Rule 52 and the present practice thereunder, the Court of Appeals for the Seventh Circuit (111 Fed. (2) 888) said:

> "Our function is to review the finding of the lower court and *not to pass* upon the evidence *de novo.*
>
> * * * * *

"We *must* attach to the testimony of the witnesses the full weight and quality of credibility which the trial Court gave it."

In the instant cause the findings of fact of the District Court were based upon evidence, all of which was produced in the presence of the District Court. The Court of Appeals in the Sixth Circuit passed upon this evidence *de novo,* made its own independent findings of fact, and set aside the lower Court's findings of fact, *all of which were fully supported by the evidence,* to reverse the lower Court. Moreover, in the instant cause the findings of fact of the District Court were based upon the testimony of witnesses, all of whom testified in the presence of the District Court. *The District Court weighed the evidence and the credibility of the testimony and, notwithstanding there was no testimony or evidence to the contrary, the Court of Appeals reversed the District Court, thus attaching nothing to the weight and quality of credibility which the trial Court gave it.*

In the Eighth Circuit case of *Strong-Scott v. Weller,* the District Court had found invention present against the argument of mechanical skill; based upon the findings of fact, of achievement, history and performance, as in the instant cause, the District Court found invention present and rejected the defendant's contention of mechanical skill. These findings the Court of Appeals of the Eighth Circuit refused to overrule on the strength of the provisions of Rule 52, accepting the "shall not" proviso of that rule and expressing it in such language as that such findings below "are not to be set aside" and "will not be set aside" unless clearly erroneous, thereby differing from the practice in the instant case where precisely the same findings of fact* were overruled by the Court of Appeals in the

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* The findings of fact in the cited case upon which invention was found are almost, if not precisely, identical with the

Sixth Circuit not only without any conclusion that anything found by the District Court was "clearly erroneous," but where it was impossible to come to any such conclusion since there was no evidence contradicting the finding of fact of the District Court below in the instant cause.

Eleven witnesses were called by the parties in this cause. Each testified in the presence of the trial Judge. All of the exhibits were produced by these witnesses in the presence of the trial Judge and the explanations of the exhibits, their mechanical and scientific principles by the witnesses occurred in the presence of the trial Judge. No witness was produced who was not seen and heard by the trial Judge and no exhibit or other item of evidence was produced except in the presence of the trial Judge. The record shows that the trial Judge closely followed the evidence, participating frequently in the examination of the witnesses (R. pp. 32, 37, 73, 74, 93, 94, 97, 126, 127, 132, 133, 141); he said himself "I have asked many questions" (R. p. 360). Although the first opinion was from the Bench at the conclusion of the arguments, the District Judge's opinion on respondent's request for reconsideration was handed down several months thereafter.

Much fact evidence was taken upon the fact question of whether the patentees exercised invention or mechanical skill, including the following:

(1) The mode of operation and results and functions of the prior art and lack of identity or substantial identity between the prior art and the patented device and comparisons of the same.

(Continued from page 11)

findings of fact in the instant case upon which invention was found (see R. pp. 366 and 367 and 112 Fed. (2) 392 and 393). In each case the findings involved such historical questions as the solution of a long standing problem, commercial success, and the like, the achievements by the invention and the scientific principles upon which those achievements and the operations of the device were predicated (see Section 12 of the syllabus in the cited case).

(2) The presence of a new combination securing new, useful and important results; the presence of many prior efforts and failures, the presence of a long-standing need, commercial success, public adoption, and other attributes of invention, and

(3) The scientific principles upon which the various devices involved operated.

Defendant called witnesses upon the prior art devices, none of whom testified that any of the prior art devices employed the mode of operation or achieved the results of the patented device, and the plaintiff called a witness having knowledge or experience with these prior art devices who testified that none of them employed the mode of operation of the patented device, realized its results, or was capable of doing so. There is no evidence in the record challenging this evidence of the plaintiff or claiming that any of the prior art devices did operate like the patented device or achieved any of its results.

The evidence on the presence of the attributes of invention were presented by the plaintiff in its prima facie case through the evidence of seven witnesses. There is no evidence in the record which challenges the testimony of any of these witnesses on this subject. Findings 1, 2, 3, 4, 5, 7, 8 and 9 of the trial Judge relate to these subjects (R. p. 366).

The scientific principles involved, and which constitute one of the bases for the differences in mode of operation and results between the patented device and the prior art, were explained by plaintiff's witnesses in prima facie in connection with the exhibits, so that the District Judge had the opportunity of listening to the testimony on the subject in connection with the exhibits. There is no evidence in the record challenging this testimony or its pertinency. The Court of Appeals, not having the benefit of the explanations of the witnesses in connection with the exhibits, so little understood the testimony and these principles as to

challenge its application and importance, thus showing the importance of the command of Rule 52.

The Court of Appeals neither found, stated nor indicated that the Court thought that any of the findings of fact below were "clearly erroneous." On the contrary, where differing with the District Court on the facts, the Court of Appeals predicated its conclusions on what "seemed" or what "appeared" to be so. Thus the Court said:

> "It would *seem* to a layman familiar with but the simplest tools," etc. (R. p. 391.)

and

> "Still more completely do the old elements *appear* to be combined in the shaft of the AutoCar built in substantial quantities and sold from 1917 to 1921." (R. p. 392.)
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> "There is a dispute as to what the evidence shows as to the AutoCar shaft in this respect, although there would *seem* to be," etc. (R. p. 394.)

Manifestly the very purpose of Rule 52 was to prevent fact findings made by a Judge who saw and heard the witnesses from being overruled by what "seemed" or "appeared" to be so to the contrary by the reviewing Court who did not have those opportunities.

The Court of Appeals agreed with the District Court on the presence of infringement and the absence of anticipation, but differed on the question of the presence of invention as against mechanical skill.

IV.

The Applicable Law:

(a) Whether the act of the patentee is invention or mechanical skill is a *question of fact* (*Thomson v. Ford,* 265 U. S. 445, where this Court said, p. 446):

> "In the present case both the District Court and the Circuit Court of Appeals have held that Harmatta's

improvement involved merely the exercise of mechanical skill and not invention. *The question whether an improvement requires mere mechanical skill or the exercise of the faculty of invention, is one of fact*; and in an action at law for infringement is to be left to the determination of the jury. *Keyes v. Grant,* 118 U. S. 25, 36, 37; *Holmes v. Truman* (C. C. A.), 67 Fed. 542, 543; *Hall v. Wiles* (C. C.), 2 Blatchf. 194, 11 Fed. Cas. 280, 283."

Keyes v. Grant, 118 U. S. 25, 36;

Strong-Scott v. Weller, 112 F. (2) 389, 394 (C. C. A. 8).

(b) The presence of a recognized want, prior efforts and failures, commercial and practical success, adoption, and other attributes of invention are all questions of fact and pertinent, if not controlling, on the question of the presence of invention as against mechanical skill (*Smith v. Snow,* 294 U. S. 1, 14; *Paramount v. Tri-Ergon,* 294 U. S. 464, 474; *Altoona v. Tri-Ergon,* 294 U. S. 477, 488; *Expanded Metal v. Bradford,* 214 U. S. 366, 381; *Temco v. Apco,* 275 U. S. 319).

(c) Findings of fact shall not be set aside unless clearly erroneous and due regard shall be given to the opportunity of the trial Court to judge the credibility of the witnesses (Rule 52 of the Federal Rules of Civil Procedure and the notes to Rules of Civil Procedure, Rule 52, page 46; *Webb v. Frisch,* 111 Fed. (2) 887, 888 (C. C. A. 7); *Crowell v. Baker,* 99 Fed. (2) 574, 577 (C. C. A. 9); *Strong-Scott v. Weller,* 112 F. (2) 389, 395 (C. C. A. 8)).

ARGUMENT.

I.

Prior to the adoption of the new Federal Rules of Civil Procedure, the proper equity practice with respect to the force and weight to be given the findings of a tribunal who had seen and heard the witnesses was in form a command as set forth in Rule 52 and is set forth in *Tilghman*

vs. Proctor, 125 U. S. 136, 139 (1888) and *Warren vs. Keep,* 155 U. S. 265 (1894) and Notes to Rules of Civil Procedure, Rule 52, pages 46 and 47. Some decisions, however, adopt wording which has been seized upon in an effort to sustain the position that the proper prior equity practice merely admonished rather than commanded adherence to the lower Court's findings. Such language appears in the decision of this Court in *Morgan v. Daniels,* 153 U. S. 120, 124.

In promulgating the new rules, this Honorable Court, it appears to us, was aware of these abortive attempts to misinterpret its decisions, and deemed it advisable to set the correct practice forth in unmistakable terms, apparently to remove all questions in connection therewith, and to establish a unified practice. The fact that the Sixth Circuit Court of Appeals, as shown by the record herein, has gone further toward the exercise of a free hand under Rule 52 than any of the Courts, so far as we are aware, did prior to the adoption of this new rule, and as confusion has already begun to arise regarding the interpretation of this rule, and undoubtedly will arise in the future, in our view makes it manifest that this Court should explain the language of the rule and define with precision the practice which is to be followed in such terms as to make the practice to be followed unmistakable. Otherwise there may be years of confusion before there is a settled practice under, or interpretation of the rule.

The instant cause presents a situation which affords ample opportunity for an explanation of the rule and a definition of the practice to be followed thereunder because, as we have said, the findings and ultimate decision of the District Court are based upon fact questions, all of which were settled by evidence, all of which was presented by witnesses seen and heard by the District Court, *and because there is in the record no evidence challenging the findings of fact upon which the District Court's decision was based,*

or making it necessary for the Court of Appeals to rely on what *"seemed"* or *"appeared"* to that Court to be so to the contrary, all of which seems to us to be directly contrary to the practice in other Circuits.

II.

These acts of the Court of Appeals below and this practice of the Court of Appeals below is clearly contrary to the practice in other Circuits under Rule 52 of the Federal Rules of Civil Procedure as is clear from the following statements by the Court of Appeals in the Seventh, Eighth and Ninth Circuits.

In *Webb v. Frisch, supra,* the Court of Appeals in the Seventh Circuit said (p. 888):

> "Rule 52(a) of the Federal Rules of Civil Procedure, 28 U. C. S. A. following section 723c, provides that 'Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses.' We do not understand that the foregoing rule has enlarged the discretion of this Court in passing upon the probative force of evidence. *Our function is to review the finding of the lower court and not to pass upon the evidence de novo.* We cannot say that a finding of the fact of prior use is 'clearly erroneous' merely because we might have entertained some doubt about the quantum of evidence. *We must* attach to the testimony of witnesses the full weight and quality of credibility which the trial court gave it."

In *Strong-Scott v. Weller,* cited *supra,* the Eighth Circuit Court of Appeals said (112 Fed. (2) 393):

> "The findings of fact of the court below *are not to be set aside* by this Court 'unless clearly erroneous.' Rule 52(a) of the Rules of Civil Procedure, 28 U. S. C. A. following section 723c."

* * * * *

(p. 395):

> "The defendants contend, however, that what the patent disclosed did not constitute invention. That presented a question of fact to be determined by the court below. * * * and its determination in that regard *will not be set aside* unless clearly erroneous."

In *Crowell v. Baker* cited *supra,* the Ninth Circuit Court of Appeals said (p. 577):

> "Although appellant's testimony supports his contention, Mellin's testimony is contrary. In view of the conflict, we believe the trial court made no 'serious or important mistake' and that its finding was not 'clearly erroneous.'" (Citing Rule 52.)

In each of the above cited cases each of the Courts of Appeals rendering the opinion refused to overrule the District Court who had seen and heard the witnesses where there was *conflicting testimony.* In the instant cause the Sixth Circuit Court of Appeals has overruled the District Court where the circumstances were the same as in the cited cases except that in the instant cause there was *no testimony contradicting the testimony* upon which the District Court in the instant cause found its facts and rendered its decision. Therefore, the District Court's findings could not possibly be "clearly erroneous." The cases are all of the same character; all relate to patents and in each the burden to be carried was of the same character. *The Eighth Circuit cited case is contrary to the Sixth Circuit instant case on the precise question involved in each case, i.e., the finding by the trial Court of the presence of invention as against mechanical skill. The Eighth Circuit Court of Appeals found this question to present a question of fact, citing several decisions from this Court to support that finding, and then refused to overrule the District Court on its finding of the presence of invention under the provisions of Rule 52.*

It is apparent, therefore, that there is not only conflict of decisions, but conflict of practices under the new rule upon precisely the same question. No one can successfully contend that the Courts who wrote the decisions in the cited cases would, in the teeth of the *"shall not"* proviso of the rule, have overruled a District Court who saw and heard the witnesses on findings of fact, not only supported by the weight of the evidence, but where there was no conflicting evidence, as the Court of Appeals in the Sixth Circuit has done in the instant cause.

III.

Nothing could be more destructive of the unity of Federal Practice and the purpose and intent of the *"shall not"* proviso of this Rule 52 than for a reviewing Court to set aside the findings of fact and overrule decisions on questions of fact by a trial Judge who saw and heard all of the witnesses testifying when there is no evidence in the record contradicting any of the findings of fact which were set aside by the Court of Appeals in order to overrule the District Judge especially when such reversal is based on what "seems" or "appears" to be so to the reviewing court and without any "clearly erroneous" finding by that court.

IV.

The Court of Appeals recognized that there was a new combination of old elements (R. p. 392) and relied upon six prior art items in reversing the lower Court on the question of invention. These items were "Handbook of Society of Automotive Engineers," 1926 Edition (R. p. 391), patents to Dunwoodie (R. p. 391) and Thiemer (R. p. 392), the Younger Article in the transaction of the American Society of Mechanical Engineers for 1916 (R. p. 392), the S. A. E. shaft (R. p. 392) and the AutoCar shaft (R. p. 392). The existence of each of these in the prior art was

not questioned and was accepted in the Court below. *The defendant offered no proof that any of them operated like or performed the functions of the patented shaft. The plaintiff offered proof that none of them did* (R. pp. 126-137). Not only did defendant not challenge this evidence in its proof, but no evidence was offered in challenge of our evidence that none of these six prior art devices operated like or performed any of the functions of the patented device. Upon this record the District Court found invention. It has always been the rule in this and other patent Courts that, as stated by this Court, in *Coffin v. Ogden,* 18 Wall. 120, 125:

> "The invention or discovery relied upon as a defense must have been complete, and capable of producing the result sought to be accomplished; and this must be shown by the defendant. The burden of proof rests upon him, and every reasonable doubt should be resolved against him."

We thus have a situation in which a novel device, admittedly consisting of a new combination of old elements, securing new and improved useful results, as found by both Courts below (R. pp. 366, 389 and 390) is held lacking in invention over a group of prior art items, *none of which were capable of producing these results. Indeed, upon which there is not only no evidence supporting the claim that any of them was capable of producing such results, and no evidence denying the proof that each was incapable of so doing.*

On the attributes of the invention the Court of Appeals indulged in certain speculations which are contrary to the findings of the District Court, unsupported by any evidence in the record, and contrary to the facts. Thus the Court of Appeals presumed that the delay in making the invention during the period of need and prior effort and failure was due to the need of "expensive machinery and retooling of the plant"; this is not correct. The record

shows that the delay was due to an inability to produce a device which would solve the problem that had long existed (R. pp. 23, 36 and 92) though many had tried (R. pp. 24, 36, 56, 57, 82 and 92.) No change in machinery was necessary and the change in tools was simple, and promptly made after the invention was made. The Court of Appeals also presumed that the wide commercial adoption and success of the patented invention was due to its use in an old assembly. This is contrary to the record, which shows that it was due to the merits of the shaft, demonstrated only after exhaustive tests by a doubting industry (R. p. 55). The Court of Appeals also disregarded the rule in *Mumm v. Decker,* 301 U. S. 168 and *Radio v. Radio,* 293 U. S. 1, 6, regarding the prima facie validity of the patent on the presumption that the AutoCar shaft, which was not before the Patent Office, was closer to the patented construction than anything considered by the Patent Office and that "there would seem to be no patentable distinction between a spline which runs down from its outer diameter to the body diameter, and a groove which runs up from root diameter to body diameter." Not only is there not a scintilla of evidence in the record to support these conclusions, but they are contrary to undisputed evidence in the record that the AutoCar shaft was not as near the patented shaft as art which was before the Patent Office (R. pp. 126, 128, 131-133, 138, 140, 142).

Thus every item of "fact" upon which the Court of Appeals relied is not only contrary to the findings of fact of the District Judge, but is contrary to the undisputed evidence in the record, and contrary to the actual facts.

Conclusion: It is therefore respectfully submitted that this case is one calling for the exercise by this Court of its supervisory powers and that to such end a writ of certiorari should be granted and this Court should review and reverse the decision of the Circuit Court of Appeals

for the Sixth Circuit and affirm the decision of the United States District Court in the Northern District of Ohio.

Respectfully submitted,

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